

REF ID: A

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9 NOVEMBER 1955

ARAB-ISRAELI SITUATION

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Frontier--No significant hostilities on Israel's borders since the flareup on 2-3 November at El Auja.

A. De-facto cease-fire was broken by clash between small Egyptian and Israeli forces on 8 November near Eilat, Israel's port on the Gulf of Aqaba. This incident is the first fighting since 1949 in this area.

1. It recalls implied threat by Nasr early this year, when he said Egypt would strike back at Israel elsewhere than the Baza strip.
2. Also recalls Ben Gurion's repeated assertions that Israel must clear the Egyptian blockade of Eilat, by force if necessary.

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CHANGE IN CLASS: ()

RECLASSIFIED

CHANGED TO: TS S C

NEW DATE: 1960

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18 Jan 60 REVIEWER: [REDACTED]

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B. Egypt still seems unready to retaliate on a large scale for Israeli raids. Israel has apparently halted its transport mobilization.

C. Immediate crisis appears to have passed. Both sides continue to make bellicose propaganda.

II. Egyptian-Soviet Bloc Arms Deal--

A. Egypt apparently completed its major and most urgent contracts with the bloc by 2 November, and is now negotiating on "supplementary" items. These negotiations now include Poland.

B.

some

Egyptian army officers now completely happy with Soviet equipment, finding it a mixture of old and new. Some suspicion of Soviet good faith allegedly has been aroused.

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[redacted] Egypt is not slackening

its purchases of small arms there, and
 is even continuing to try to get some
 heavier equipment, such as tanks and
 marine diesel engines.

Israeli efforts to get arms--Israel's
 cabinet decision made on 23 October to
 purchase \$50 million in arms has resulted
 not only in increased pressure on the US to
 supply equipment but also in extensive
 Israeli arms procurement efforts in Europe.

France will probably supply 15 Mystere
 jet fighters in the near future.

In Italy Israel has begun negotiations
 for large quantities of arms including
 40 F-51 aircraft, 50 Sherman tanks,
 16 self-propelled M-7 guns, 500 jeeps
 and command cars as well as large
 quantities of bazookas and machine guns
 and munition

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C. Inside Israel the drive to collect funds for arms continues to meet with enthusiastic success.

1. The government, aiming at the equivalent of \$12.5 million by the close of 1955 reportedly has already collected about \$4 million.

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